

CHAPTER 2

NAVY SUPPLY SYSTEM

As a Ship's Serviceman, you have been involved with the daily operation of the retail and service activities of an afloat supply department. You have performed duties as a laundryman, barber, tailor, ship's store operator, bulk storeroom custodian, or records keeper. Now, as you prepare to advance to a senior petty officer rate and assume the added responsibilities of a supervisory position, you must be able to identify your role in the supply department afloat and ashore as an integral part of the Navy supply system.

The varied supply demands of a missile ship in the South Pacific; a Navy radio station in Cutler, Maine; the naval base in Guantanamo, Cuba; and the other worldwide elements of the operating forces and shore establishments of the Navy require a procurement, storage, and distribution system with a scope unequalled in the commercial world. The term *supply system* is used to describe collectively the field activities of the Naval Supply Systems Command (NAVSUP) and the Defense Logistics Agency (DLA) which procure, hold, and issue materials to the operating forces or to activities of the shore establishment. The supply system also extends into the operating forces in the form of stores issue ships and tenders.

The mission of the integrated Navy/DLA supply system is twofold. First and always foremost, the supply system must provide responsive support to the operating forces. Second, the system must achieve optimum economy. To accomplish both of these goals, the Navy/DLA supply system must obtain superior management in all of its operations. In your role as a senior Ship's Serviceman, you must provide the type of management that will contribute directly to the success of the mission and the goals of the integrated Navy/DLA supply system.

The Navy/DLA supply system became "integrated" when the critically important supply requirements of the operating forces began to extend beyond the scope of a single organization.

In fact, the supply system has become integrated in two significant ways. First of all, the Navy supply system itself is integrated. Before World War II, technical materials were controlled by the technical commands and were generally provided to the fleet on a direct turnover basis from private industry. The enormous quantity of technical materials that the highly mobile naval forces required soon surpassed the ability of that system to meet the demands. As a result, these technical items had to be integrated into a supply system where they could be managed systemwide. Second, the supply system is an integration of the DLA system and the Navy system. The integration of the two systems began when the DLA started placing selected items of material in various naval supply centers, depots, shipyards, and air stations. The following sections of this chapter will describe how the general organization and functions of the DLA system and the Navy system work together.

DEFENSE LOGISTICS AGENCY

The Defense Logistics Agency was established to procure and manage certain common items for all the military services. First, each service determines its own gross requirements. Next, the DLA totals the requirements for all the military services and procures the required materials on a wholesale basis from commercial sources. Finally, the DLA sells the procured materials to the military services.

DEFENSE SUPPLY CENTERS

The DLA headquarters is located at Cameron Station, Alexandria, Virginia. The headquarters organization provides leadership and management over the operational functions that are decentralized to the DLA field activities. The field activities, which are referred to as defense supply

centers (DSCs), procure and distribute materials as follows:

- Defense Personnel Support Center, Philadelphia, Pennsylvania—Controls subsistence, medical supplies, and clothing.

- Defense Fuel Supply Center, Washington, D.C.—Controls bulk petroleum and petroleum-based chemicals.

- Defense Electronics Supply Center, Dayton, Ohio—Controls electronic and electrical equipment and repair parts.

- Defense Industrial Supply Center, Philadelphia, Pennsylvania—Controls industrial-type items, such as bearings, block and tackle devices, rigging and slings, and rope cable and fittings.

- Defense Construction Supply Center, Columbus, Ohio—Controls structural material and automotive and construction equipment, components, and repair parts.

- Defense General Supply Center, Richmond, Virginia—Controls furniture, food preparation equipment, recreation and athletic equipment, packaged petroleum products, office supplies, and cleaning supplies.

The basic function of each of the defense supply centers is inventory management. The major areas of responsibility of the DSCs in carrying out that function are described below.

Supply Management

The defense supply centers are responsible for the performance of supply management functions (depending on the specific assignment), such as cataloging, standardization, determination of net requirements, procurement, inspection and quality control, storage, distribution, redistribution, disposal, transportation arrangements, maintenance and manufacturing guidance, and mobilization planning.

Replenishment Requirements

It is the responsibility of each military service to determine the kinds of supplies and equipment needed and the quantity required per operating unit. The defense supply centers

compute the replenishment requirements on all the items under DLA management. These computations take into account the experience of the center on each item and the program information furnished by each service.

Ownership and Distribution

The defense supply centers control the wholesale distribution of stock among the four military services. Generally, a defense supply center makes use of local military facilities that are best suited for the center to meet the requirements of all the military services located in the area the center serves. These facilities are operated with administrative support furnished by the service that owns the facility. When a center is the principal user of the facility, however, and has management jurisdiction, the center provides the administrative support to the other tenants. The defense supply centers conduct their operations basically within the United States (excluding Alaska and Hawaii). The centers arrange, however, for the shipment of their stock items from continental stock points to overseas points as designated by military departments.

All stocks, both operating and reserve, under the control of a defense supply center, are owned by the center and are financed by a separate fund, the Defense Stock Fund. When necessary, stocks are rotated to maintain their quality through arrangements agreed upon between the DLA and the military department concerned. As long as the stock items remain under direct control and ownership of a defense supply center, the stock is considered to be “wholesale” stock. Once the wholesale stock is distributed, however, the military service that receives the stock assumes ownership and the stock becomes “retail” stock.

DLA DISTRIBUTION SYSTEM

While DLA material is under the inventory management of the DSCs, the actual storage and distribution are accomplished by the distribution depots (DDs) and the specialized support depots (SSDs).

Distribution Depots

A distribution depot is simply a storage point for DLA material. Issue of material from these depots is centrally controlled by the cognizant DSC and is based on requisitions received and processed centrally by the DSC. Consequently, a

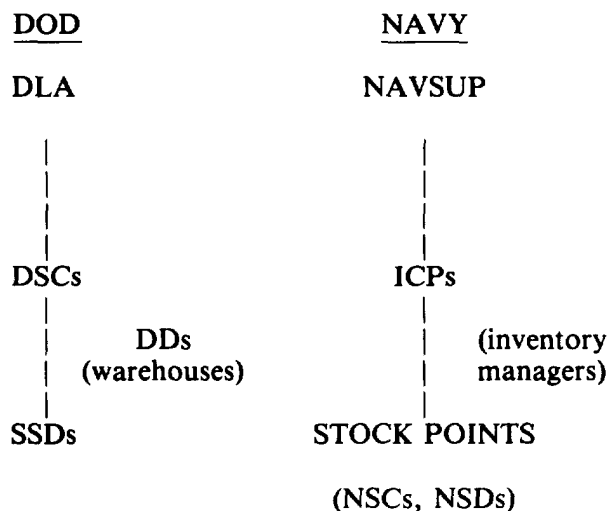
DD cannot accept requisitions directly or issue stock without the prior authorization of the DSC. The principal DDs are located in Mechanicsburg, Pennsylvania; Memphis, Tennessee; Ogden, Utah; and Tracy, California.

Specialized Support Depots

Because of the large number of afloat customers, the DLA has established two SSDs to provide direct support to the Navy. The two SSDs are the Navy supply centers at Norfolk and Oakland. The SSDs, unlike the DDs, have the authority to receive requisitions directly and to make issues locally. The inventory held at each depot is, however, owned and managed centrally by the cognizant DSC.

NAVY SUPPLY SYSTEM

As was mentioned at the beginning of the chapter, the Navy supply system is integrated with the Defense Logistics Agency system. The mission, organization, and functions of the components of the Navy system are described below. Like the DLA system, there are inventory managers (the inventory control points), a distribution system (NSCs, NSDs), and a central headquarters (NAVSUP). The following diagram is a comparison of the two systems:



NAVAL SUPPLY SYSTEMS COMMAND

The Naval Supply Systems Command (NAVSUP) supervises the provisioning, cataloging, inventory management, distribution, materials

handling, traffic management, transportation, packaging, preservation, receipt, storage, issue, and disposal of Navy supplies and material, except for those items specifically assigned to other systems commands or offices. Although NAVSUP relies heavily on the other systems commands for technical advice concerning equipment and material requirements, it also furnishes supply management methods and guidance to commands and offices that request management assistance in supply functions.

NAVSUP is also responsible for the development and supervision of the Navy supply system. It must combine all supply and distribution functions into one system so that the system can meet the objective of responsive and efficient material support to the operating forces. This is not a simple task. The Navy supply system must be responsive to all levels of command and must operate at all levels. It is not enough to develop only those capabilities that will enable a supply system to meet the needs of one ship, one task force, or one fleet. The Navy supply system must be able to respond to all the needs of the operating forces and of their related support activities.

As you read the following sections, you should recognize how many supply functions are interrelated so that the Navy supply system can support your ship or any other component of the operating forces. You should also determine how your supply department, afloat or ashore, functions in much the same way in meeting the needs of a ship or a station. The basic elements of supply support, for one ship or for the entire Navy, involve the determination of requirements, procurement, and distribution.

Determination of Requirements

Determining requirements for material should not be new to you as you have probably already had some experience in this area aboard your ship. In performing this job, you have had two excellent tools to work with—the *Coordinated Shipboard Allowance List* (COSAL) and the usage data from your stock record cards. The COSAL is discussed later in this rate training manual and in *Military Requirements for Petty Officer Third Class* through *Chief Petty Officer*. The Navy supply system uses the COSAL and stock record cards for determining the requirements for replenishment materials. However, not all material comes under the heading of replenishment. When new material, such as the repair parts requirement for a newly developed item of equipment, is

introduced, long-range plans must be developed for the adequate support of the equipment.

There is another area that calls for the determination of requirements. When the plans for an operation have been approved, logistic planning must provide the material needed to support the operation. Elements such as the size and duration of the operation, its distance from established support activities, and the climate to be encountered are all factors that you must consider in order to predict, with any accuracy, answers to the questions: What? How much? When? Where? and How?

Procurement of Materials

As soon as requirements have been established, the next step is the procurement of materials. Most procurement aboard ship is carried out by requisition. However, before a supply activity can issue the material on your requisition, the material must first be procured and then delivered to the location of that supply activity. Although some items are manufactured in Navy facilities (such as shipyards), the vast majority of procured material is purchased from commercial suppliers. The impact of procurement by the Navy on the civilian economy ranges from insignificant for the replacement stock of shoelaces to staggering when procurement activity includes all the material necessary to support an all-out wartime operation.

Procurement comprises such functions as establishing specifications for the goods required, standardizing material, cataloging and identifying material, inspecting material, investigating costs, and assigning priorities. Procurement may also involve the allocation of critical raw material to a supplying manufacturer.

Distribution of Stock

The first phase of distribution is the accumulation of material at CONUS bases, an action that may be performed more readily during the procurement process if the location to which the material is to be delivered is specified. The other phases of distribution are storage, issue, transportation, and control.

The distribution system must be capable of reacting rapidly to unexpected changes in plans and operations. The system must also be able to adapt itself to changes brought about by new developments in technical areas.

A distribution system should be as economical as possible without sacrificing effectiveness. A good distribution system can achieve considerable economy by maintaining careful control of its stock. For example, material requirements at one location can occasionally be met by a redistribution of excess material from another location rather than by the procurement of new material. When equipments or systems are scheduled to be phased out, the reduced demand for material support can be anticipated and overall stock levels can be reduced accordingly. On the other hand, a good distribution system must be just as effective in anticipating increases in existing supply requirements or additional procurement demands as new equipments are introduced to the fleet. Under all conditions, an expedient distribution system must ensure that material support is available when and where it is needed.

INVENTORY CONTROL POINTS (ICPs)

Managing the hundreds of thousands of different items of stock in use by the Navy today is not an easy job. To provide the proper balance between supply and demand, the Navy supply system has established inventory control points (ICPs). In fact, the Navy's two inventory control points have been described as the "nerve centers" of the Navy supply system. They are the

- Navy Aviation Supply Office, Philadelphia, Pennsylvania (ASO); and
- Navy Ships Parts Control Center, Mechanicsburg, Pennsylvania (SPCC).

Although they are not ICPs, three other activities have been assigned specific inventory management responsibilities. They are the

- Naval Publications and Forms Center, Philadelphia, Pennsylvania;
- Navy Fuel Supply Office, Alexandria, Virginia; and
- Navy Resale and Services Support Office, Staten Island, New York.

Each of these activities manages a material commodity or group of commodities.

You can identify the inventory manager for any stock item by the cognizance symbol for that

manager. For example, ship's store stock is 1Q cog material that is under the inventory management of the Navy Resale and Services Support Office. You can find the current list of cognizance symbols and their associated responsible inventory managers in the *NAVSUP Manual*, volume II, and NAVSUP P-485.

Within the Navy supply system, the ICPs administer the material assigned to them by the systems command having prime responsibility for the material. Thus, an ICP is under the joint control of NAVSUP and the responsible systems command. The ICPs do not maintain stocks of material; the ICPs simply ensure that a proper balance exists between the supply of and the demand for the individual items of material required by the Navy. This mission requires each ICP to do the following:

- Ensures that activities of the Navy will receive promptly the appropriate quantities of all requested materials

- Ensures, by control of procurement, that long supply or short supply of material will be curtailed by maintaining a scheduled flow of material into the Navy supply system in the proper quantities

- Directs redistribution or disposal of excess stock at supply activities for any material under its cognizance

- Maintains close liaison with the systems commands for the purpose of incorporating changes, new requirements, obsolescence, and other planning information into the inventory control of its material

- Determines or assists in determining items to be stocked

- Participates in procurement actions for technical equipment and material, recommends procurement of repair parts and components, and schedules the delivery of these parts and components as designated by the sponsoring systems command or office

- Participates in material standardization programs

- Carries out intensive technical research programs so that all stock items under its control are identified, stock numbered, cataloged, and evaluated for possible interchangeability

- Establishes standard unit prices

- Develops methods and procedures for recording and reporting the stock status of the material under its inventory control

- Consolidates and reviews the periodic stock status reports rendered by its reporting activities

The material that is managed by the ICPs is held in a distribution system composed of supply activities called stock points. To make the material available in the right quantity at the right place, the ICPs must maintain close control over the distribution system. To do this, the distribution system of the ICPs is tied together by a highly sophisticated communications network through which the ICPs report daily on the status of the stock in their locations. This information enables each ICP to position material as required and to compute future procurement requirements for the material.

In summary, the stock management responsibilities of the ICPs within the Navy supply system are to position material at the various stock points; to retain inventory control of this material through extensive reporting systems; to provide technical assistance to the system (and to the customers); and to provide a cataloging service to the system (and to the customers).

NAVY RETAIL OFFICES

The inventory managers for Navy-owned retail stocks of items under DLA control are the Navy retail offices (NROs). The NROs manage Navy-owned material by financial means only. Material is bought from the DSCs with Navy Stock Fund money and is subsequently positioned at Navy stock points. The two Navy retail offices are the

- Fuel Supply Office (FSO), Washington, D.C.—Responsible for the retail management of solid fuels, petroleum, and related products, asphalts, and coal tars; and

- Fleet Material Support Office (FMSO), Mechanicsburg, Pennsylvania—Responsible for the retail management of Navy retail stocks of DLA/GSA items.

NAVY DISTRIBUTION SYSTEM

There are two types of activities that makeup the Navy's distribution system: (1) activities in

which the primary mission is supply and (2) activities that are components of systems commands other than NAVSUP or naval operational activities.

The major activities in which the primary mission is supply are (1) naval supply centers and (2) naval supply depots. These activities are responsible for warehousing, distributing, and controlling Navy supply materials. In addition to these activities, the mobile logistics support force (MLSF) ships act as afloat extensions of the Navy's distribution system.

The other activities are strictly supply departments consisting of (1) naval shipyards, (2) naval air stations, and (3) naval stations. The mission of these activities is to provide specialized supply support to the command at which they are located.

Navy Supply Centers and Naval Supply Depots

Navy supply centers (NSCs) and depots (NSDs) are command organizations that have been established for the centralized administration of various types of supply activities. These supply centers and depots furnish balanced supply support to fleet units, shore activities, transient ships, and overseas bases. The centers have, as components, several depots that stock the various categories of materials. In addition, a supply center or depot may have certain other components that perform related supply functions.

Navy supply centers are based in CONUS while Navy supply depots are located overseas (with the exception of NSD, Mechanicsburg, Pennsylvania). Military command and coordination control is exercised by the commanding officer of the center or depot, but primary support responsibility of the centers and depots is exercised by NAVSUP. The departments of any NSC or NSD with which the senior Ship's Serviceman would most frequently come into contact are the inventory control department and material department.

INVENTORY CONTROL DEPARTMENT.— The inventory control department determines material requirements, manages inventories of assigned material, controls material receipts, and, when a purchase department is not warranted or approved by NAVSUP, conducts procurement operations. Within the inventory

control department there are several divisions that perform the following functions:

- Requirements division—Maintains levels of activity stocks and stock records, provides status information, screens and analyzes supply documents, and performs other related functions.

- Receipt control division—Monitors all documentation and procedures necessary for the prompt receipt of material.

- Technical division—Maintains the library that is used to identify material.

- Purchase division—Determines the methods for purchasing material and conducts negotiations for the purchase of supplies and equipment.

- Customer services division—Provides the liaison point for fleet and shore customers on material and service requirements. The customer services division is usually established when the volume of fleet or shore customer services is too great for the requirements division to handle alone. Otherwise, customer service functions are performed within the requirements division.

MATERIAL DEPARTMENT.— The material department plans and directs the storage, maintenance, issue, and disposal of materials and, when a freight terminal department is not warranted, plans and directs the receiving, shipping, and shipment control operations. Within the material department are several divisions that perform the following functions:

- Storage division—Determines and maintains proper stowage conditions and locations for material.

- Disposal division—Operates disposal, scrap, and salvage yards.

- Packing and preservation division—Performs the packing and marking of material for domestic or overseas shipment.

- Cold storage division—When established, performs for subsistence materials the identical functions assigned to the requirements and storage divisions.

- Retail stores division—Operates shop, ready supply, and self-service stores.

- Freight terminal division—Receives, ships, delivers, and controls the movement of all material.

- Labor and equipment division—Maintains a residual labor and equipment pool.

Mobile Logistics Support Force

The purpose of the MLSF is to keep the fleet supplied with fuel, food, general stores, technical repair parts, and services. These materials and services are made available through underway replenishment (UNREP) or in-port replenishment (INREP) in foreign harbors. Through the use of the MLSF, the fleet can remain at sea for protracted periods of time.

Some of the ships that makeup the MLSF are as follows:

- Combat stores ships (AFS)—Carry a “load” of general stores, ship’s repair parts, electronic repair parts, aviation repair parts, food items, and ship’s store stock. The shopping guides for the AFS are the *Afloat Shopping Guide* (ASG) and *Consolidated Afloat Requisitioning Guide Overseas* (CARGO).

- Stores ships (AF)—Carry a wide variety of frozen and dry foods items and certain items of general stores and ship’s store stock.

- Oilers (AO)—Carry bulk fuels, a deckload of bottled gas and drummed oil, and some items of general stores and ship’s store stock.

- Ammunition ships (AE)—Carry explosives and hazardous ammunition and related materials.

- Fast combat support ships (AOE)—A high-speed combination of the AE and AO.

- Destroyer/submarine tenders (AD/AS)—Belong to type commanders and carry a range of repair parts and consumables to support a specific ship type.

These ships act as extensions of the supply system and are actually specialized afloat supply depots. The stores issue ships conduct business at sea by highline or helicopter transfer, or in foreign ports. These transfers are known as underway replenishment (UNREP), vertical replenishment (VERTREP), or in-port replenishment (INREP).

NAVY RESALE SYSTEM

The overall purpose of the Navy Resale System is to provide authorized patrons with quality merchandise and services at reasonable prices. By offering attractive, convenient, well-managed facilities, the Navy Resale System contributes to the morale of the men and women in the naval service. The Resale System consists of four separate programs: Navy exchanges, commissary stores, ship’s stores afloat, and Military Sealift Command (MSC) exchanges. All of these programs are managed by the Navy Resale and Services Support Office (NAVRESSO) which was created by the Naval Supply Systems Command as a field activity.

NAVY RESALE AND SERVICES SUPPORT OFFICE (NAVRESSO)

The Navy Resale and Services Support Office watches over the effectiveness of the Navy Resale and Services Support System and acts as a central manager for the system’s individual programs.

As the Navy’s Resale System’s central management activity, NAVRESSO’s mission is defined as follows:

- To provide support for resale services, clothing, and food services, afloat and ashore

- To conduct clothing and textile research and development

- To perform such other functions as may be directed by the Commander, Naval Supply Systems Command

According to the goals of the Navy Resale System, the Navy Resale and Services Support Office directs, operates, and provides management, administrative, and technical guidance to Navy Resale and Services Support regions and commissary stores, Navy and Military Sealift Command exchanges, Navy ship’s stores and ship’s stores activities afloat, and enlisted dining facilities afloat and ashore. NAVRESSO also develops and monitors procedures for maintaining officers’ messes afloat and provides technical and management guidance to the naval uniform program. NAVRESSO commands the Navy Clothing and Textile Research Facility (NCTRF) which conducts clothing and textile research and development. NAVRESSO also directs the Navy

Food Service Systems Office (NAVFSSO) which provides policy and administrative and technical guidance in food and foodservice research and development.

In managing all the programs under its control, NAVRESSO is subject to the guidelines set forth in the *Armed Services Exchange Regulations*, the *Armed Services Commissary Store Regulations*, the *Naval Supply Systems Command Manual*, and other applicable official publications.

SHIP'S STORES DIVISION

Of the many divisions in NAVRESSO, a senior Ship's Serviceman in the fleet will have the most contact with the ship's stores division (SSD). The primary purpose of the ship's store division is to furnish technical direction and guidance for the operation and design of a Navy's ship's store and to assist type commanders in managing ship's store facilities.

Functions

The functions of the ship's stores division are as follows:

- To provide guidance to NAVSUP and individual fleet units for the design of ship's services spaces and equipment aboard Navy ships scheduled for new construction, conversion, and major modernizations as well as for those vessels scheduled for SHIPALTs

- To determine, issue, and review policies, procedures, and goals for retailing goods and services aboard ships of the U.S. Navy

- To develop ship's stores contracts, merchandise offerings, and procurement resources in coordination with the acquisition management division (AMD), the retail management division (RMD), and the services management division (SMD)

- To provide technical guidance and assistance for laundry/dry cleaning, vending, and related services aboard ships of the U.S. Navy

- To administer Ship's Store Profits, Navy, General Fund, and the ship's stores participation in (and/or responsibility for) the Navy Stock Fund

- To develop program data to ensure logistic support of programs under the direction of NAVRESSO

- To maintain up-to-date fleet load lists for ship's stores in the *Consolidated Afloat Requisitioning Guide Overseas* (CARGO)

Branches

There are three branches of the SSD that you, as a senior Ship's Serviceman, should recognize: the operations branch (SSD1), the fleet assistance branch (SSD2), and the fleet habitability assistance branch (SSD3). You should make yourself aware of these branches and their functions. As a senior petty officer, you may wish to rely upon some of the services these SSD branches provide.

The operations branch (SSD1) provides guidance in the design of ship's store spaces and equipment. This branch also conducts studies and surveys to establish operational policies and procedures, develops management and operational standards and goals, and provides the results of all findings to fleet and type commanders. In conjunction with the acquisition management division (AMD), the retail management division (RMD), and the services management division (SMD), the operations branch develops ship's stores contracts and merchandise offerings.

Another function of the operations branch is the administration of Ship's Store Profits, Navy, General Fund. This branch carries out this function by providing the following services:

- Publishes guidelines for Ship's Store Profits, Navy, General Fund, expenditure authorizations (loans, grants, surveys, travel, and miscellaneous charges)

- Authorizes, adjusts, or cancels commitments and expenditures from Ship's Store Profits, Navy, General Fund, with copies to pertinent parties

- Prepares the annual budget

- Forwards copies of all need-to-know correspondence and travel orders to interested divisions

- Maintains a commitment file for loans and grants

The operations branch also administers the ship's stores participation in (and responsibility for) the Navy Stock Fund in the following ways:

- Issues policies and procedures (notices, instructions, NAVSUP Publication 487, etc.)
- Provides input to the financial management group (FMG) for budgetary functions
- Monitors financial operating results and provides comments

You, as a senior Ship's Serviceman, may find the fleet assistance branch (SSD2) to be one of the most valuable resources available to you within the ship's store division. For example, you may find yourself in charge of a retail operation that is not as efficient as you feel it could be. You realize that the operation needs some type of improvement, but you do not know where to start or what to do. The fleet assistance branch will analyze your operation and will provide the following services:

- Fleet assistance including technical guidance and training in all phases of retail, operating, and accounting procedures and services for ship's stores
- Fleet assistance including technical guidance and training in service activities such as laundry/dry cleaning and vending services in ship's stores
- Recommendations for changes to ship's stores policies and operating procedures

The fleet habitability assistance branch (SSD3) provides guidelines on habitability standards in the design and improvement of ship's store spaces. The functions of this branch are as follows:

- To determine, under OPNAVINST 9640.1 requirements, the required space and equipment needed for ship's stores retail and service activities in regard to habitability standards for new ship designs
- To assist NAVRESSO in making recommendations to the OPNAV shipboard habitability manager on ship's stores retail and service activities

- To assist ships in determining maximum improvement of shipboard habitability in regard to ship's stores retail and service activities, within the constraints imposed by physical configuration and other competing requirements of the ship's resources

HOW NAVRESSO ASSISTS SHIP'S STORES AFLOAT

There is a ship's store on practically every surface ship. As mentioned before, NAVRESSO has a fleet assistance program to provide technical assistance and guidance to ensure the efficient and economical achievement of all ship's stores operations.

Fleet assistance teams are made up of fleet assistance representatives. These representatives are master and senior chief petty officers who are positioned in major port areas to provide technical and management assistance to ship's stores. Technical assistance may be provided by telephone, by desk visits to fleet assistance offices, or by advisory visits to individual ships. Visits to ships are made on an informal basis, and no formal report is made upon completion of the visit.

Assistance is provided upon request for any of the following areas:

- Modernization planning, merchandising promotion assistance including layout, display, and signing
- Merchandise planning, including stock control review, model stock plans, and disposition of excess stocks
- Pricing procedures, accounting records, returns, and bill payments
- Internal operating procedures including internal controls consisting of cash-handling procedures, security of spaces, and receipt and inspection procedures
- Procurement assistance, including purchasing procedures, contract administration procedures, vendor relations, and merchandise quality assurance, and the processing of forms for merchandise ordered according to the simplified requisition and purchase procedure
- Training in ship's stores afloat operations in retail and service areas

- Periodic review of ship's stores operations to provide an overview or to identify potential problem areas

- Work scheduling and control, job instruction and training programs, safety and sanitation, equipment maintenance, minor repairs (as necessary), and operations

In addition, the fleet assistance representatives maintain liaisons with fleet and type commanders, Navy supply support activities, fleet accounting and disbursing centers, and other cognizant activities on various ship's stores problems.

Approximately 120 days before deployment, you should set up a predeployment briefing with the fleet assistance representatives either at their office or on your ship. During this briefing you will receive information on CARGO cognizance items, foreign merchandise, vendor control, and endurance loading.

The addresses and phone numbers of fleet assistance offices are listed in the NAVSUP P-487.

NAVY ACCOUNTING AND FINANCE

There are three types of accounting and finance activities with which you, as a senior Ship's Serviceman, should be familiar: the Navy regional finance centers, the fleet accounting and disbursing centers, and the personnel support activity detachments. The mission and relationship of these finance activities to the Navy supply system and to you, the senior Ship's Serviceman, are discussed below.

NAVY REGIONAL FINANCE CENTERS

Navy regional finance centers (NRFCs) are field finance activities under the command and primary support of the Deputy Comptroller of the Navy. Each NRFC is headed by a commanding officer who is a Supply Corps officer. The navy regional finance centers are located in Great Lakes, Illinois, and in Washington, D.C.

The mission of an NRFC is to perform regional disbursing, accounting, reporting, administrative examinations, and other related financial service functions for the geographical area it supports as assigned by NAVCOMPT.

The senior Ship's Serviceman becomes involved with an NRFC primarily when there are

charges to a Ship's Store Profits, Navy (SSPN) functional account. The Navy Regional Finance Center, Washington, D. C., will take care of some of your SSPN bills associated with vending machines (CONUS).

FLEET ACCOUNTING AND DISBURSING CENTERS

Fleet accounting and disbursing centers (FAADCs) are field finance centers under the command and primary support of the Deputy Comptroller of the Navy. There are two fleet accounting and disbursing centers: one is in San Diego, California; the other is in Norfolk, Virginia.

One of the FAADC's functions is to review and process ship's store returns. The Ship's Serviceman becomes involved with the FAADC when the 4-month ship's store returns are prepared and forwarded to that activity. If errors are discovered in the 4-month returns, a letter is forwarded to the command requesting adjustment or explanation. Dealers' bills for ship's store stock are forwarded to an FAADC for payment. The FMDC will reconcile the amount of the bill provided by the dealer with the amount reported by the activity. If discrepancies are discovered, a letter requesting adjustment or correction is forwarded to the commanding officer of the activity.

PERSONNEL SUPPORT ACTIVITY DETACHMENTS

Personnel support activity detachments are paying activities that are primarily used for the payment of dealers' bills. The senior Ship's Serviceman becomes involved with these paying activities when dealers' bills are forwarded to the activities for payment. Personnel support activity detachments are located around the world in localities such as Yokosuka, Japan; Naples, Italy; Rota, Spain; and Oakland, California.

At some point in your career, you have probably heard of or dealt with many of the organizations and branches you have just read about in this chapter. In fact, as you have encountered receipts from some of these places or ordered materials from others, you have probably wondered why a supply system should be so complicated and elaborate. Now that you have read

the information in this chapter, you should be able to visualize how the various levels of the system work together to provide an effective supply network, not only for the Navy, but for all the branches of the armed forces. You should also

be able to identify your role in the Navy/DLA supply system and how the system helps you, the senior Ship's Serviceman, provide the best possible service to the afloat or ashore operation under your control.

